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C O N F I D E N T I A L SECTION 01 OF 03 TEL AVIV 003061

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STATE FOR NEA FOR FRONT OFFICE; NEA/IPA FOR  
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E.O. 12958: DECL: 08/30/2017  
TAGS: [PGOV](#) [PREL](#) [IS](#) [KPAL](#) [KWBG](#)  
SUBJECT: AMBASSADOR JONES AND MK SCHNELLER DISCUSS OUTPOSTS  
AND GOI SETTLEMENT COMMITMENTS

REF: A. TEL AVIV 4474

[1](#)B. TEL AVIV 01758

Classified By: Ambassador Richard H. Jones for reasons 1.4 (b), (d)

[1](#)1. (C) Summary: MK Otniel Schneller, accompanied by ECF (Economic Cooperation Foundation) General Director Ya'ir Hirschfeld met with the Ambassador on October 18 to discuss Schneller's ongoing efforts to gain settler consensus to voluntarily evacuate illegal West Bank outposts. Claiming to work in conjunction with Prime Minister (PM) Olmert and Defense Minister (DM) Barak, Schneller stressed that the approximately 8,000 settlers living in the 26 outposts that the GOI planned to evacuate would voluntarily leave if they could resettle in settlement blocs that Israel would retain in a final status agreement. Although the settlers mistrusted both the GOI and the USG, they would agree to voluntarily evacuate the outposts if this resettlement option was guaranteed. Schneller asserted that settlers viewed themselves as the only ones making concessions that would advance the overall diplomatic process with the Palestinians. He stressed that the evacuation of outposts would be consistent with Israeli law, international law, and GOI bilateral commitments to the USG. The Ambassador noted, however, that the GOI had two commitments to the USG under phase one of the Roadmap: evacuate outposts and freeze settlement growth. Although the dismantlement of outposts would be consistent with the former, the resettlement of these settlers to other existing settlements is contrary to the latter. Citing the Secretary's recent visit, the Ambassador stressed the importance of continuing the current momentum of the diplomatic process and said that even though Palestinians might welcome the dismantlement of outposts as a confidence building measure, it would not necessarily be viewed as a concession since outposts violated Israeli law. End summary.

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Settlers Will Voluntarily Evacuate to Blocs  
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[1](#)2. (C) In response to the Ambassador's question on his discussions with settlers about voluntarily evacuating illegal outposts in the West Bank, Schneller said that he has been working in conjunction with PM Olmert and DM Barak to develop a plan that settler leaders would agree to. However, he did not expect a breakthrough on these talks because settlers from the 26 outposts that the MOD planned to evacuate needed guarantees that they would be resettled to settlements that Israel would retain in a final status agreement. Schneller asserted that the dismantlement of these sites would be consistent with Israeli law,

international law, and GOI bilateral agreements with the USG.

He added that given US assurances of support for Israel's annexation of some settlement blocs, the approximately 8,000 settlers in the 26 outposts would voluntarily vacate these outposts for resettlement in these blocs, without force or government compensation. "If tomorrow morning the Prime Minister will say 'go,' settlers will immediately start" to vacate the outposts, according to Schneller. In the event of voluntary outpost evacuations, settlers would either move to existing vacant housing units in the settlement blocs, transfer their caravans to the blocs, move into new individual or combined neighborhoods that would be built in the blocs, or move to areas (that Israel would retain) where the GOI would complete the legalization process to settle. (Note: Schneller referenced Bruchin as an example of a site that has not obtained all the approvals necessary for legalization. Bruchin, located west of Ariel, is an outpost that was established before March 2001. End note). The map of the West Bank could dramatically change within 2-3 years if this option was available to settlers, according to Schneller.

13. (C) The Ambassador affirmed that the optimum situation would be if settlers reached an agreement with the GOI and voluntarily evacuated outposts, rather than the GOI having to evacuate them by force. In response to the Ambassador's question on what could be done to build settler trust and gain their buy-in to the GOI's plan, Schneller said that the GOI needed to make the settlers feel like they were also gaining something by making these concessions. Although the settlers would have to vacate these outposts, allowing them to resettle to other settlements that Israel would retain would enable them to continue living in the West Bank, retain their identity as settlers, and validate their psychological rationale for establishing outposts. The Ambassador noted

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however, that the GOI had two commitments to the USG under phase one of the Roadmap: evacuate outposts and freeze settlement growth. Although the dismantlement of outposts would be consistent with the former, the resettlement of these settlers to other existing settlements is contrary to the latter. Schneller responded that a settlement freeze would not work and said that DM Barak's recent decision to declare a construction freeze in settlements was already pushing settlers to build illegally.

14. (C) Citing the Secretary's recent visit, the Ambassador stressed the importance of continuing the current momentum of the diplomatic process and said that even though Palestinians might welcome the dismantlement of outposts as a confidence building measure, it would not necessarily be viewed as a concession since outposts violated Israeli law. The Ambassador explained that the USG is looking at how to realize President Bush's vision of two states living side by side in peace and security. Confidence building will be a key element in resolving the Israeli-Palestinian dispute and achieving the President's vision. Meeting existing commitments builds confidence that future commitments will also be honored. Both the Israelis and Palestinians must do their part to meet their commitments, said the Ambassador.

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Integrating the Right  
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15. (C) Citing President Bush's 2004 letter to then-Prime Minister Sharon, the Ambassador noted that the USG and Schneller were trying to help the same people. Under President Bush's letter, the USG has recognized that already existing major Israeli population centers would have to be accounted for; however, the Ambassador noted, this recognition in a final status agreement would be mutually agreed by the Israelis and Palestinians. The Ambassador noted that of all Israelis, settlers should be the most concerned that Palestinians be fully satisfied with a final agreement because they continue to have the most contact with

Palestinians in the future. When asked if settlers believed that a Palestinian state would be realized, Schneller answered that many believed that it eventually would be, based on the demographics of a rising Palestinian population.

¶6. (C) Saying that the American interest in the Middle East is 99.9 percent the same as the Israeli interest, Schneller stressed that it is very important for Israel to succeed in the upcoming international conference. Creating the conditions for success entails building consensus within Israeli society. The key to gaining consensus is bridging public opinion and incorporating the right-wing as part of the peace process. According to Schneller, however, the settlers do not trust the GOI or the USG and view themselves as the only ones making concessions to advance the overall diplomatic process with the Palestinians. He continued by saying that that settlers would be more open to supporting the peace process if they knew that remaining in some part of the West Bank -- whatever the scenario -- was possible. He urged the US to give tacit approval to certain blocs as sites for resettlement, arguing that if settlers knew which blocs would be retained by Israel, people would move out of other West Bank areas into these blocs on their own volition. When the Ambassador demured, Schneller continued, "If you think, for example, that Ariel will not stay with Israel, then take it out." Schneller said that while some settlers would lose their homes, they were eager to be part of the solution and did not want to be viewed as "those people in the corner." He added that settlers also did not want to be in conflict with the USG or be seen as "spoilers." According to Schneller, the key to creating a successful situation is not with the GOI, but with the settlers.

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Comment:  
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¶7. Schneller is engaged with mainstream settlers who are realizing that a Palestinian state is coming and do not want to find themselves completely marginalized. His comments may provide valuable insights into their mood, if not the extremists among them. While being escorted from the meeting with the Ambassador, Schneller commented to PolCouns that the key to finding a peaceful way out for the outpost settlers is "flexibility" on the part of the GOI and the USG. It may be useful to consider ways the US might discreetly engage them; if Schneller is correct, they may be more willing to deal with the USG than the GOI.

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JONES